

HOUSE BILL REPORT

SB 5484

As Reported by House Committee On:
Higher Education

Title: An act relating to health sciences and services authorities.

Brief Description: Concerning the higher education coordinating board's responsibilities with regard to health sciences and services authorities.

Sponsors: Senator Shin; by request of Higher Education Coordinating Board.

Brief History:

Committee Activity:

Higher Education: 3/14/11, 3/16/11 [DP].

Brief Summary of Bill

- Removes responsibility from the Higher Education Coordinating Board for evaluating and reporting to the Legislature on the effectiveness of the programs in a Health Sciences and Services Authority.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 14 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys, Fagan, Hasegawa, Jacks, Probst, Reykdal, Sells, Springer, Warnick and Zeiger.

Staff: Cece Clynch (786-7195).

Background:

Health Sciences and Services Authority.

Legislation passed in 2007 authorized the creation of a Health Sciences and Services Authority (Authority) to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health. Initially, just a single Authority was authorized, and only in a county with a population of less than one million persons. In 2010 the Legislature further specified that there could be no more than two

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Authorities in the state, and that Authorities could only be located east of the crest of the Cascade Mountains.

An individual local government, or local governments joining together, may establish such an Authority by ordinance or resolution. The ordinance or resolution must specify the powers of the Authority, establish an administrative board, clarify the geographic boundaries of the Authority, and provide investment guidelines. An Authority is overseen by a board of not more than 14 members and has all the general powers necessary to carry out its purposes and duties, such as the power to make and execute agreements and contracts, establish special funds, hire staff, incur general indebtedness, leverage the Authority's public funds with moneys received from other public and private sources, hold funds received by the Authority in trust, and make grants to entities to promote bioscience-based economic development.

The legislative authority of a local jurisdiction that created an Authority prior to January 1, 2010, may impose a sales and use tax of no more than 0.020 percent of the selling price (in the case of a sales tax) or the value of the article (in the case of a use tax), which is deducted from the state's portion of the sales and use tax collected by the Department of Revenue (DOR). The DOR is required to collect the tax on behalf of the Authority. The amounts received by the Authority may only be used as specified in the Authority's powers and duties and to retire indebtedness.

Higher Education Coordinating Board.

The Higher Education Coordinating Board (HECB) is authorized to approve or reject applications submitted for an area's designation as an Authority. The HECB is also charged with adopting any rules necessary for implementation, and is given responsibility for developing evaluation and performance measures in order to evaluate the effectiveness of programs in an Authority funded with public resources. The HECB is required to report to the Legislature on a biennial basis beginning December 1, 2009. The HECB is also tasked with developing evaluation criteria that enable the local governments to measure the effectiveness of the programs.

In November 2007 the HECB released a Request for Applications for designation of an Authority. Only Spokane County submitted an application. By resolution, the HECB approved the designation of an Authority in Spokane County.

Summary of Bill:

The HECB is no longer responsible for evaluating the effectiveness of the programs in an Authority and reporting to the Legislature on a biennial basis. It remains responsible, however, for developing the evaluation criteria that enable the local governments to measure effectiveness.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The HECB is anticipating the fiscal savings that will accompany the passage of this bill.

(Opposed) None.

Persons Testifying: Chris Thompson, Higher Education Coordinating Board.

Persons Signed In To Testify But Not Testifying: None.